AUG 20 1951

In the Supreme Court of the United States

OCTOBER TERM, 1951.

No. 257

YOUNGS RUBBER CORPORATION,
Petitioner,

vs.

ALLIED LATEX CORPORATION,
Respondent.

PETITION FOR WRIT OF CERTIORARI
To the United States Court of Appeals for the Second Circuit.

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Respondent.

PETITION FOR WRIT OF CERTIORARI.

To the Honorable Chief Justice and Associate Justices of the Supreme Court of the United States:

Your petitioner, Youngs Rubber Corporation, prays that a Writ of Certiorari issue to review the judgment entered May 23rd, 1951 (R. 434) of the United States Court of Appeals for the Second Circuit in which petitioner was plaintiff-appellee.

A certified transcript of the record in the case, including the proceedings in said Court of Appeals, is furnished herewith in compliance with Rule 38 of the rules of this Court.

OPINIONS OF THE COURTS BELOW.

The Opinion of the United States District Court for the Southern District of New York was filed on July 21, 1950 (R. 399) and is reported at 94 F. Supp. 281.

The Opinion of the United States Court of Appeals for the Second Circuit (R. 416-423) is reported at 188 F. (2d) 945.

JURISDICTION.

The jurisdiction of this Court is invoked under Section 240(a) of the Judicial Code as amended by the Act of June 25, 1948 effective Sept. 1, 1948 (28 U. S. C., Section 1254(1)) and under Section 5(b) of Rule 38 of this Court.

The Opinion of the Court of Appeals is dated April 30, 1951 (R. 416). Petition for Rehearing (R. 425) was filed on May 15, 1951, and was denied on May 23, 1951 (R. 434).

QUESTIONS PRESENTED.

(1) Whether Patent No. 2,213,113 is valid and infringed.

(2) Whether Patent No. 2,244,591 is valid.

(3) Whether, despite the uncontroverted finding of the Trial Court that neither the Patent Office nor the defendant cited any prior art to rebut novelty, the Court of Appeals may nevertheless hold a patent invalid for *lack of novelty.*

SUMMARY STATEMENT OF THE MATTER INVOLVED.

Petitioner, Youngs Rubber Corporation, owns Patent No. 2,213,113 (hereinafter called the Visual Test patent), for a Method for Testing Thin Rubber Articles, issued August 27, 1940, and Youngs *et al.* Patent No. 2,244,591 (hereinafter called the Electrical Test patent), for Apparatus for Testing Prophylactic Articles of Thin Rubber, issued June 3, 1941.

This action is brought by petitioner for reversal of the decision of the U. S. Court of Appeals for the Second Circuit that held the patents invalid, and reinstatement of that of the U. S. District Court for the Southern District of New York (Bondy, *J.*) that held both patents valid and infringed.

This case is companion to the case of *Frank B. Killian & Company v. Allied Latex Corporation et al.*, 188 F. (2d) 940 (C. A. 2) in which a Petition for Writ of Certiorari is being filed concurrently herewith.

No questions have been raised as to misuse of patents, unlawful monopoly or other reprehensible conduct that defeats the right to equitable relief in a patent suit.

As appears more fully hereinafter (pp. 4 & 6), years of research proved unavailing in ameliorating the cumbersome and costly prior commercial practice. But, respondent did no research and simply appropriated the teachings of petitioner's patents.

The Visual Test Patent No. 2,213,113 is for a method of testing thin rubber articles, particularly prophylactics, for minute holes therein. According to that method the rubber article is stretched over a rigid cylindrical form, thus completely plugging the article so that neither air nor water could pass from the inside to the outside of a perfect article. Upon dipping the form with the article stretched thereover into and removing it from a bath of water, a clear visual distinction between a good and a bad article is afforded. For, any minute hole in the article allows water to seep and spread promptly into the capillary space between the article and the form over which it was stretched, which is visible through the stretched article as a corresponding dark spot or area that is absent with a good article. The Trial Court made the following Findings of Facts as to this patent:

> "The invention accomplished a new instrumentality for a new test." (R. 401.)
>
> "Air inflation tests (the prior art method) were practiced by plaintiff and others for about 15 years before the advent of the methods disclosed by the two patents in suit." (R. 400.)
>
> "As disclosed by the evidence, the advantages of this visual test over the prior art inflation test were

the reliable, automatic, instant and satisfactory exploration of the entire effective area of the article while in the bath, and even out of the bath, revealing the dark area by the time the article had reached the inspection stage. The chance of error was reduced to a minimum, and the cost of inspection over prior methods and practices was considerably reduced." (R. 401, 2.)

"Plaintiff, the patentee's assignee, promptly utilized the new method in its business, and has continued to do so from 1940 to date with considerable success." (R. 402.)

"Neither the Patent Office nor the defendant has cited any prior patents, publications or public uses anticipating the invention. Though the test may now appear simple, simplicity does not negative invention." (R. 402.)

The Electrical Test Patent No. 2,244,591 is for apparatus employing electrical means to detect holes in the wall of a rubber article, such as a prophylactic, which is stretched over a metallic form* and passed through a conductive bath. The metal form constitutes one electrode, the conductive bath the second electrode and the rubber article on the form is the dielectric of a Temporary Condenser, i.e., a condenser which exists as such for but a few seconds while the article remains dipped in the bath. Briefly stated, the metal form is brought into contact with a charging electrode which applies a voltage to charge the temporary condenser. Then the metal form passes to a testing electrode which is connected through a conventional electrical or electronic circuit to a relay which gives a response depending on whether or not there has been a loss of charge due to leakage from the temporary condenser, caused by a hole in the article.

The Trial Court found to be new the employment of the rubber article as the dielectric of a temporary condenser

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* This form may also be used in the method of the Visual Test patent.

moving in a conductive bath and combined with a conventional electrical circuit for testing the rubber articles. (R. 405.)

The Trial Court also made the following Findings of Fact as to this patent:

> "This invention was promptly put into use, and was and continues to be a valuable and successful contribution to the art; it eliminated the human element, and enabled those articles having holes to be discarded automatically." (R. 406.)

SPECIFICATION OF ERRORS TO BE URGED.

The Court below erred:

(1) In reversing the Trial Court by holding Patent No. 2,213,113 invalid and not infringed.

(2) In reversing the Trial Court by holding Patent No. 2,244,591 invalid.

(3) In holding invalid for lack of novelty the Visual Test patent against which neither the Patent Office nor defendant had cited any prior art.

(4) In holding invalid the Electrical Test patent, though the same involved the radically new instrumentality of the temporary condenser.

(5) In violating Rule 52(a) of the Federal Rules of Civil Procedure by reversing and disregarding Findings of Fact of the Trial Court without any showing that they were clearly erroneous and by failing to make allowance for the advantages possessed by the Trial Court that had observed demonstrations, viewed motion pictures, listened to conflicting testimony and passed on the credibility of witnesses.

REASONS RELIED ON FOR ALLOWANCE OF THE WRIT.

The discretionary power of the Court to grant a Writ of Certiorari is invoked upon the following grounds:

I. The Court Below has Magnified and Distorted This Court's More Recent Decisions in Patent Cases Into a Mandate to Invalidate Every Patent that Comes Before It, Even Such Patents as the One Recently Held Valid by UNANIMOUS DECISION of This Court.

(a) The Court below found as to both patents in suit:

> "It is perhaps interesting that an obvious need was not met sooner in this industry and *certainly in old days that would have told strongly in favor of the patent.*"* (R. 422.)

and as to the Electrical Test patent found:

> "*Undoubtedly this would have been held invention in times past,* but now the climate of opinion has changed to require definite novelty in idea, and not new adaptations of an old idea." (R. 421.)

The Court below correctly found as to the prior commercial practice:

> "* * * that the necessary testing of these articles was by crude devices, including such hand operations as blowing up of each one by an operator and holding it against the face or neck to see if the air was coming out." (R. 422.)

As to this prior art practice, the Trial Court had found:

> "The test accordingly was subject to human error. Moreover, the cost of such testing was extremely high, exceeding the cost of producing the articles. Attempts had been made to perfect an automatic mechanism for air testing in order to reduce the manual labor and high cost of the existing methods, but without satisfactory results. Air inflation tests were practiced by plaintiff

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* Emphasis throughout this Petition is ours unless otherwise noted.

and others for about 15 years before the advent of the methods disclosed by the patents in suit." (R. 400.)

Prior to the invention of the patents in suit there had been more than a decade of unsuccessful effort in the industry to devise a better test than the expensive and unreliable method in general use (R. 12, 22, 63 to 67, 253, 254).*

There is no evidence that the respondent engaged in experimental or developmental work. As the latest comer in the field, respondent simply appropriated petitioner's inventions in full awareness of the patents. Judgment for respondent here would simply encourage appropriation of the useful invention of another, even where, as here, the patentee is not charged with misuse of patents, unlawful monopoly or similar conduct that defeats the right to equitable relief in a patent suit.

In refusing to recognize validity in the face of the history above set forth, the Court below has decided important issues of patent law in manner that conflicts with this Court's pronouncements in *Goodyear Tire & Rubber Co. v. Ray-O-Vac Co.*, 321 U. S. 275, and *Graver Tank and Mfg. Co. v. Linde Air Products Co.*, 336 U. S. 271.

In recently passing on a meritorious invention in a technical art, this Court laid down tests in the earlier *Graver v. Linde* case, 336 U. S. 271, which the Court below insists were overruled by this Court's last two patent decisions, viz., *Great Atlantic & Pacific Tea Co. v. Supermarket*, 340 U. S. 147, and *Crest Specialty v. Trager*, ... U. S. ...., 95 L. Ed. 532 (advance sheets). That appears clearly from the following statement in the opinion below:

"Plaintiff urges that the climate of opinion is again shifting, citing the opinions in *Graver Tank & Mfg. Co. v. Linde Air Products Co.*, 336 U. S. 271, 339 U. S. 605.

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* The test used by the Federal Food and Drug Administration served only for samples, since it involved filling the individual prophylactics with water. (R. 36.)

> But that case dealt specifically with the question of equivalents to show infringement, and later decisions do not support the plaintiff's reading of directional signals. *Great Atlantic & Pacific Tea Co. v. Supermarket Equipment Corp., supra; Crest Specialty v. Trager,* .... U. S. ....." (R. 421.)

Not only has the Court below ignored the earlier *Graver v. Linde* decision (336 U. S. 271) which deals with validity and not merely with infringement, but the reference to "directional signals" shows that the court below believes that this Court has raised the standards of invention even since the later *Graver v. Linde* decision (339 U. S. 605).

The palpable error in the foregoing quotation was pointed out in our Petition for Rehearing below, but that Petition was nevertheless denied without attempt at correction or explanation.

As a matter of fact, the patent involved in said *Great Atlantic & Pacific* case was held invalid because it did not meet the statutory requirements of invention as appears from the following part of the decision:

> "Neither court below has made any finding that old elements which made up this device performed any additional or different function in the combination than they perform out of it." (p. 152.)

But new, radically new and vastly improved results were attained by the inventions of the two patents in suit, as appears from the Findings of Fact of the Trial Court (*supra,* pp. 4 & 6). These are of the tenor of those that prompted this Court's holding of validity in *Graver v. Linde,* 336 U. S. 271.

(b) More specifically, **as to the Visual Test Patent 2,213,113,** the Court reversed the Trial Court by holding invalidity for *lack of novelty,* in the face of the utter absence of prior art cited in the proceedings leading to the grant of the patent, in the Answer to Complaint, and even at the trial. The Court below said:

"We are aware that simplicity alone will not negative invention, Goodyear Tire & Rubber Co. v. Ray-O-Vac Co., 321 U. S. 275, 279, but *overwhelming* simplicity must always have its effect in contradicting novelty. Great Atlantic & Pacific Tea Co. v. Supermarket Equipment Corp., 340 U. S. 147."

This assertion is tantamount to the proposition that that which is very simple cannot be novel! Apart from the fantastic character of this assertion, it is irreconcilable with the holding of validity in the leading case of *Minerals Separation, et al. v. James M. Hyde,* 242 U. S. 261, where this Court said (at p. 268)

"The simplicity of the operation, as compared with the prior attempts is *startling.*"

As in the *Minerals Separation* case, abstruse laws of surface tension or capillary action were ingeniously harnessed by the inventor to attain a strikingly novel and useful result. This was accomplished by the simple new instrumentality of the Visual Test patent as held by the Trial Court below. Ordinarily capillary action is nothing but a nuisance, as indeed exemplified by the example given by the Court below of gravy on a necktie.

(c) Also more specifically, **as to the Electrical Test Patent 2,242,591,** the Court below overruled the Trial Court's Findings of Fact which were indeed uncontroverted by respondent. The concept of a *temporary condenser* was found to be broadly new. Such temporary condenser is instantly put together for such test. It is made by stretching the rubber article over a metal form which is then dipped into a conductive bath, so that the condenser *exists only during the few seconds* the form remains in the bath. A relay is connected in circuit with that temporary condenser whose response is selective, depending on whether the temporary condenser maintains the electric charge applied thereto (if the article is good), or loses it (if the article is bad).

The Trial Court's Finding of Fact as to this new and valuable principle of the temporary condenser with its unique utility for testing a rubber prophylactic was brushed aside by the Court below in the following words:

> "* * * the patentees took one of the oldest of electric conceptions and adapted it rather ingeniously to a particular need of this business." (R. 421.)

The Court below erroneously concluded that the decision in the case of *Great Atlantic & Pacific v. Supermarket Corp.*, 340 U. S. 147, supersedes and compels disregard of the decision in the recent case of *Graver Tank & Mfg. Co. v. Linde Air Products Co.*, 336 U. S. 271; and that *Graver v. Linde* never was authority for upholding a meritorious patent, despite the fact that this Court upheld the patent there and did so unanimously. Misled by that palpably false interpretation of the expression of this Court, the Court below ignored proof that clearly made out a case of validity on the standards followed in that *Graver v. Linde* case.

II. There is Direct Conflict Between the Decision of the Court Below and Decisions of This Court and of the United States Courts of Appeals for the First, Sixth and Seventh Circuits as to the Interpretation of This Court's Decision in the Case of Cuno Engineering Corp. v. Automatic Devices Corp., 314 U. S. 84.

In *Graver Tank & Mfg. Co. v. Linde Air Products Co.*, 336 U. S. 271, 281, Mr. Justice Black, in his concurring opinion in which he was joined by Mr. Justice Douglas, held that the invention there involved, which resulted from six months of patient trial of some hundreds of flux compositions, shows "patentable discovery when measured by the standards announced by this Court in *Cuno Engineering Corp. v. Automatic Devices Corp.*, 314 U. S. 84."

The Court below, however, has construed this Court's decision in that *Cuno* case as a mandate indiscriminately to invalidate patents and has never even attempted to dis-

tinguish that case as did at considerable length the Courts of Appeals for the First, Sixth and Seventh Circuits in upholding patents far less impressive in history and attainments than those in the case here involved.

We draw particular attention to:

Trabon Engineering Corporation v. Dirkes, 136 F. (2d) 24 (C. A. 6);

Brown & Sharpe Mfg. Co., et al. v. Kar Engineering Co., Inc., 154 F. (2d) 48 (C. A. 1) (certiorari denied, 328 U. S. 869, Petition for Rehearing denied, 329 U. S. 822);

Falkenberg v. Bernard Edward Co., 175 F. (2d) 427 (C. A. 7) (certiorari denied, 338 U. S. 870).

III. The Court Below Has So Far Departed From the Accepted and Usual Course of Judicial Proceedings As to Call For an Exercise of This Court's Power of Supervision.

Such departure consisted in violation of Rule 52(a) of the Federal Rules of Civil Procedure by setting aside Findings of Fact made by the Trial Court and that are not clearly erroneous. More particularly:

(a) The Trial Court found as to the device which comprises a form and the rubber sheath stretched thereover and which is to be immersed in the bath in order to perform the Visual Test:

> "The invention accomplished a new instrumentality for a new test." (R. 401.)

Disregarding such Finding of Fact, the Court below says:

> "The defendant is on solid ground in urging that mere observation of a natural process can hardly be considered to possess such novelty. Otherwise one might expect the observable results of water on silks or satins or gravy on a necktie to appear as patents."

To spill water upon a rubber prophylactic sheath would not render visible a minute hole therein, since rubber, unlike a necktie, is impervious to water. The dark area appears *only* if the water passing through a hole in the sheath is made to spread under the sheath along the minute capillary space between the sheath and the form over which the sheath has been stretched prior to immersion in the bath. That is the *new instrumentality* found by the Trial Court and without which the tell-tale dark area could not possibly make its appearance as a "natural process" or otherwise. It is this *new instrumentality* that alone can call forth the manifestation of what the Court below calls a "natural process."

(b) The Trial Court found as to the Visual Test patent:

> "While the visual method might not be part of defendant's regular testing routine, it is *readily capable of being used* by employing the services of an inspector." (R. 404.)

In direct contradiction of this Finding, the Court below says:

> "* * * in defendant's machine * * * the forms after their immersion were in a place where one would hardly think of examining them and *could not do so conveniently.*" (R. 419.)

(c) The Trial Court further found as to the Visual Test patent:

> "* * * for example, frequent opportunities to observe the spots arise in connection with *checking the electrical apparatus to assure that it is in proper working order for testing purposes.*" (R. 404.)

In direct contradiction of this Finding, the Court below says:

> "* * * in defendant's machine the possibility of inspection came *only after* the electrical test had operated."

The Court below does not indicate that the foregoing Findings of Fact made by the Trial Court are clearly erroneous. Manifestly they are not for they find ample support in the record (R. 103, 177, 178, 186, 187, 250).

Indeed, the Court below concedes:

> "Perhaps we should hesitate to upset the finding of fact of a trial judge on an issue of this kind," (R. 419)

but, as we have seen, it has nevertheless upset them, despite its expressed misgivings.

(d) The Trial Court found as to the Electrical Test patent:

> "* * * the metal form is one electrode, the conductive bath a second electrode, and the rubber article the insulation or dielectric of a *temporary condenser*—a condenser that exists as such for but a few seconds while the article remains dipped in the bath through which it passes for the Visual Test." (R. 405.)
>
> * * * * *
>
> "Defendant's apparatus uses substantially similar metal forms, stretches the rubber article thereover, conveys same through a conductive bath containing aerosol, forming a *temporary condenser* exactly as taught in the claims. It connects the metal form and bath to an electrical circuit for charging and discharging the *temporary condenser* depending on whether the article has a hole, that is, on whether or not there is leakage, and provides a relay responsive to the electrical circuit for testing a good article rather than a bad one." (R. 407.)

Not only are these Findings substantiated in the record (R. 151 to 154), and therefore not clearly erroneous, but their correctness is indeed conceded by respondent's expert (R. pp. 216, 219, 220, 227) who admits that this application of the rubber sheath so that it constitutes the dielectric of a *temporary condenser* for test purposes is *new* and is both *disclosed* in the patent and *used* by defendant.

The Court below, however, completely disregards all the Findings and admissions as to the *temporary condenser* and holds that:

> "* * * the patentees took one of the oldest of electrical conceptions and adapted it rather ingeniously to a particular need of this business."

(e) The Trial Court found as to the prior art bearing on the Electrical Test patent:

> "The Electrical World article of March 12, 1927, disclosed the testing of thick rubber gloves by filling them with water, immersing the gloves in a tank of water, and then applying a high voltage alternating current through the thickness of the glove and discarding those gloves that did not withstand the applied voltage; the high alternating current was *to break through a bad glove* and *could not be used* for charging a temporary condenser; there was *no condenser, no charging action, no leakage,* and *no metal form* within the rubber article to act as one of the electrodes of a temporary condenser." (R. 406.)

The Court below, however, disregards these Findings of Fact as to the "Electrical World" article and says:

> "Here, then, was a device in use for testing rubber goods by using electrical current conducted through water; we see no substantial difference between the water as the conductor on both sides of the article as in this device and the water and metal of the patent under consideration here. The fact that one was a high-voltage test for imperfections, rather than holes, in the glove, while the other was one of low voltage for holes, seems a difference in degree, and not of kind."

The setting aside of a vital Finding of Fact occurred in the face of the admission of respondent's expert that the alternating current used in the "Electrical World" article would have *no utility* for the purpose of the patent in suit (R. 217) and there is *no condenser charging action* (R. 218).

In setting aside the Findings of Fact of the Trial Court, the Court below disregarded the following clear admonition of this Court:—

> "These findings are to the effect that the new combinations, while they involve old mechanical constructions, combine these in a new way so as to produce an improved result. These are Findings of Fact, despite the petitioner's apparent contention to the contrary, and we will not disturb such concurrent findings, where as here, there is evidence to support them." *Williams Mfg. Co. v. United Shoe Machinery Corp.*, 316 U. S. 364, 367.

CONCLUSION AND PRAYER.

A vital issue is presented by this petition. Does the Court of Appeals for the Second Circuit correctly apply the standards of invention set by this Court? We maintain it does not and unless corrected, patents will become a nullity in the Second Circuit.

WHEREFORE, your petitioner respectfully prays that a Writ of Certiorari be issued to the Circuit Court of Appeals for the Second Circuit to the end that this cause may be reviewed and determined by this Court; that the judgment of the Circuit Court of Appeals for the Second Circuit be reversed, and that petitioner be granted such other and further relief as may be proper.

Respectfully submitted,

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August 17, 1951.